

Interim Report on Operations as of 30 September 2025



SMART SOLUTIONS IN WINDING WIRE
SMART SOLUTIONS IN WINDING WIRE

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Corporate Bodies

Board of Directors

Chairman	Mr	Filippo Casadio
Executive Director	Mr	Francesco Gandolfi Colleoni
Executive Director	Ms	Elena Casadio
Non-Executive Director	Mr	Gianfranco Sepriano
Non-Executive Director	Ms	Francesca Pischedda
Non-Executive Director	Mr	Orfeo Dallago
Independent Director	Ms	Marianna Fabbri
Independent Director	Ms	Carlotta Armuzzi

Board of Statutory Auditors

Chairman	Ms	Donatella Vitanza
Standing Statutory Auditor	Mr	Fabrizio Zappi
Standing Statutory Auditor	Mr	Giuseppe Di Rocco
Substitute Statutory Auditor	Mr	Federico Polini
Substitute Statutory Auditor	Ms	Debora Frezzini

Independent Auditors

Deloitte & Touche S.p.A.

Components	Control and Risks Committee	Remuneration Committee	Related Parties Committee
Ms Marianna Fabbri	■	■	■
Ms Carlotta Armuzzi	■	■	■
Mr Orfeo Dallago	■		
Mr Gianfranco Sepriano		■	
Ms Francesca Pischedda			■

Financial Reporting Officer

Mr Massimiliano Bacchini

Internal Auditor

Mr Fabrizio Bianchimani

Supervisory Board

Mr Francesco Bassi
Mr Gabriele Fanti
Mr Gianluca Piffanelli



Interim Report on Operations

The consolidated financial statements of IRCE Group (hereinafter also the "Group") for the first nine months of 2025 recorded a profit of € 5.22 million.

Consolidated turnover amounted to € 284.93 million, down by 6.9% compared to € 306.04 million recorded the first nine months of 2024. This reduction was mainly due to a decline in sales volumes, partially offset by higher copper prices: the average LME price in Euros for the first nine months of 2025 was 1.7% higher than in the corresponding period of 2024.

During the period, market demand for both Group's business lines remained weak, with low sales volumes also affected by the traditional August shutdown. In the winding wire sector, the decrease in sales was attributable to difficulties in end markets, such as automotive, household appliances, and electromechanical and electronic equipment, as well as the lower production of the Dutch subsidiary Smit Draad, which ceased operations in May 2025. The cable sector, which saw a more significant decline, was impacted by the contraction in demand in traditional markets, such as construction and industry.

In this context, turnover without metal¹ decreased by 11.1%; the winding wires sector fell by 7.6% and the cable sectors by 19.2%.

In detail:

Consolidated turnover without metal ¹ (€/million)	30 September 2025		30 September 2024		Change
	Value	%	Value	%	%
Winding wires	48.31	73.0%	52.31	70.3%	(7.6) %
Cables	17.85	27.0%	22.08	29.7%	(19.2) %
Total	66.16	100.0%	74.39	100.0%	(11.1) %

The following table shows the changes in results compared with those of the same period of last year, including the adjusted values of EBITDA and EBIT:

Consolidated income statement data (€/million)	30 September 2025		30 September 2024	Change
	Value		Value	Value
Turnover ²	284.93		306.04	(21.11)
EBITDA ³	14.24		18.64	(4.40)
EBIT	9.57		12.75	(3.18)
Net result before tax	9.08		11.95	(2.87)
Net result for the period	5.22		7.11	(1.89)
Adjusted EBITDA ⁴	15.17		19.34	(4.17)
Adjusted EBIT ⁴	10.50		13.45	(2.95)

¹ Turnover without metal corresponds to overall turnover after deducting the metal component.

² The item "Turnover" represents the "Revenues" reported in the income statement.

³ EBITDA is a performance indicator the Group's Management uses to assess the operating performance of the company and is not an IFRS measure; IRCE S.p.A. calculates it by adding depreciation/amortisation, provisions and write-downs to EBIT.

⁴ Adjusted EBITDA and EBIT are calculated as the sum of EBITDA and EBIT and the gains/losses on copper and electricity derivatives transactions if realized (€ +0.93 million in the first 9 months of 2025 and € +0.70 million in the first 9 months of 2024). These are indicators that the Group's Management uses to monitor and assess its own operating performance and are not IFRS measures. Given that the composition of these measures is not regulated by the reference accounting standards, the criterion used by the Group may not be consistent with that adopted by others and is therefore not comparable.

Consolidated statement of financial position data (€/million)	30 September 2025 Value	31 December 2024 Value	Change Value
Net capital employed ⁵	217.93	197.13	20.80
Shareholders' equity	156.02	150.62	5.40
Net financial position ⁶	61.91	46.51	15.40

As at 30 September 2025, the net financial position amounted to € 61.91 million, up from € 46.51 million at 31 December 2024. This increase is primarily due to investments made during the period, amounting to €15.95 million, which concerned the subsidiary in Brazil and two new projects in the Czech Republic and China, and partly to the growth in working capital.

The increase in shareholders' equity of € 5.40 million compared to December 31, 2024, net of the dividend distributed (€ 1.59 million), is due to the profit for the period (€ 5.22 million) and to the positive change in the translation reserve of € 1.75 million, which benefited from the appreciation of the Brazilian real and the Czech koruna by 3% and 4%, respectively, since the beginning of the year.

The marked uncertainty regarding the overall economic outlook and the recovery timeframe, fuelled by trade wars and international conflicts, makes forecasting difficult. In this context, we confirm for 2025 a result in line with that achieved in 2024.

The rationalization process within the Group continues and, together with the medium- to long-term growth strategy, focused on sectors linked to the energy transition, will deliver greater efficiency and improved margins, with a positive impact on results in the coming years.

At the Czech Republic plant, testing of the installed machinery and approval processes are progressing. Meanwhile, construction of the new facility in China is scheduled for completion by the end of the year, with production expected to begin in the second half of 2026.

Regarding the closure of the Dutch subsidiary, all employment relationships were terminated in July, and the disposal of assets is underway.

Imola, 14 November 2025

On behalf of the Board of Directors

The Chairman

Mr Filippo Casadio

⁵ Net invested capital is the sum of net working capital, fixed assets, other receivables net of other payables, provisions for risks and charges and provisions for employee benefits.

⁶ Net financial position is measured as the sum of short-term and long-term financial liabilities minus cash and current financial assets (see note n. 9 of consolidated financial statements). It should be noted that the method for measuring net financial position comply with the one defined by the Consob's notice no. 5/21 attention recall of 29 April 2021, which takes over the ESMA guideline of 4 March 2021.

Consolidated statement of financial position

(Thousand of Euro)	Notes	2025 30 September	2024 31 December
ASSETS			
Non current assets			
Goodwill and other intangible assets		51	50
Property, plant and machinery	3	70,631	43,064
Equipments and other tangible assets	3	1,747	1,731
Assets under constructions and advances	3	25,542	41,609
Non current financial assets		6	7
Deferred tax assets	4	2,981	2,502
Other non current assets non financial		413	-
NON CURRENT ASSETS		101,371	88,963
Current assets			
Inventories	5	113,401	94,345
Trade receivables	6	56,484	54,083
Tax receivables		186	114
Other current assets	7	2,634	5,316
Current financial assets	8	720	412
Cash and cash equivalent		9,337	13,859
CURRENT ASSETS		182,762	168,129
TOTAL ASSETS		284,133	257,092

(Thousand of Euro)	Notes	2025 30 September	2024 31 December
EQUITY AND LIABILITIES			
Shareholders' equity			
Share capital		13,739	13,756
Reserves		137,361	130,268
Profit (loss) for the period		5,215	6,900
Shareholders' equity attributable to shareholders of Parent company		156,315	150,924
Shareholders equity attributable to Minority interests	9	(298)	(308)
TOTAL SHAREHOLDERS' EQUITY		156,017	150,616
Non current liabilities			
Non current financial liabilities	10	40,085	38,023
Deferred tax liabilities		266	280
Non current provisions for risks and charges	11	551	558
Non current provisions for post employment obligation		3,441	3,685
NON CURRENT LIABILITIES		44,343	42,546
Current liabilities			
Current financial liabilities	10	31,878	22,757
Trade payables	12	40,295	26,010
Current tax payables	13	2,271	1,277
<i>(of which related parties)</i>		1,545	644
Social security contributions	14	1,379	2,013
Other current liabilities	15	7,734	8,513
Current provisions for risks and charges	11	216	3,360
CURRENT LIABILITIES		83,773	63,930
SHAREHOLDERS' EQUITY AND LIABILITIES		284,133	257,092

Consolidated income statement

(Thousand of Euro)	Notes	2025 30 September	2024 30 September
Sales revenues	16	284,926	306,043
Other revenues and income	17	3,417	1,213
TOTALE REVENUES AND INCOME		288,343	307,256
Raw materials and consumables	18	(226,213)	(242,827)
Change in inventories of work in progress and finished goods		5,646	7,586
Cost for services	19	(29,281)	(27,898)
Personnel costs	20	(23,429)	(24,261)
Amortization /depreciation/write off tangible and intangible assets	21	(4,745)	(5,573)
Provision and write downs	22	76	(311)
Other operating costs	23	(830)	(1,219)
EBIT		9,567	12,753
Financial income / (charges)	24	(487)	(808)
RESULT BEFORE TAX		9,080	11,945
Income taxes	25	(3,855)	(4,823)
NET RESULT FOR THE PERIOD		5,225	7,122
Net result attributable to non-controlling interests		10	13
Net result attributable to shareholders of the Parent Company		5,215	7,109
EARNINGS/(LOSSES) PER SHARES			
- basic EPS for the period attributable to shareholders of the parent company	26	0.1973	0.2690
- diluted EPS for the period attributable to shareholders of the parent company	26	0.1973	0.2690

Consolidated statement of comprehensive income

(Thousand of Euro)	Notes	2025	2024
		30 September	30 September
Net result for the period		5,225	7,122
Translation difference on financial statements of foreign companies	9	1,747	(5,905)
Total items that will be reclassified to net result		1,747	(5,905)
Actuarial gain / (losses) IAS 19		98	(14)
Tax effect		(20)	-
Total IAS 19 reserve variance	9	78	(14)
Total items that will not be reclassified to net result		78	(14)
Total comprehensive income for the period		7,050	1,204
Attributable to shareholders of Parent company		7,040	1,191
Attributable to Minority interest		10	13

Consolidated statement of changes in equity

(Thousand of Euro)	Share capital	Other reserves			Retained earnings				Equity attributable to parent company shareholders'	Equity attributable to minority interest	Total shareholders' equity
		Share premium reserve	Other reserves	Legal reserve	las 19 reserve	Retained earnings	Translation reserve	Result for the period			
Opening balance previous year	13,782	40,409	45,923	2,925	(730)	70,304	(27,190)	8,226	153,649	(322)	153,327
Dividends	-	-	-	-	-	(1,588)	-	-	(1,588)	-	(1,588)
Sell / (purchase) own shares	(18)	(49)	-	-	-	-	-	-	(67)	-	(67)
Allocation of previous year net result	-	-	-	-	-	8,226	-	(8,226)	-	-	-
Other comprehensive income for the period	-	-	-	-	(14)	-	(5,905)	-	(5,919)	-	(5,919)
Net result for the period	-	-	-	-	-	-	-	7,109	7,109	13	7,122
Total comprehensive income for the period	-	-	-	-	(14)	-	(5,905)	7,109	1,191	13	1,204
Closing balance previous period	13,764	40,360	45,923	2,925	(744)	76,941	(33,094)	7,109	153,184	(309)	152,875
Opening balance current year	13,756	40,337	45,923	2,925	(891)	76,941	(34,967)	6,900	150,924	(308)	150,616
Dividends	-	-	-	-	-	(1,586)	-	-	(1,586)	-	(1,586)
Sell / (purchase) own shares	(17)	(47)	-	-	-	-	-	-	(63)	-	(63)
Allocation of previous year net result	-	-	-	-	-	6,900	-	(6,900)	-	-	-
Other comprehensive income for the period	-	-	-	-	78	-	1,747	-	1,825	-	1,825
Net result for the period	-	-	-	-	-	-	-	5,215	5,215	10	5,225
Total comprehensive income for the period	-	-	-	-	78	-	1,747	5,215	7,040	10	7,050
Closing balance current period	13,739	40,290	45,923	2,925	(813)	82,255	(33,220)	5,215	156,315	(298)	156,017

Consolidated statement of cash flow

(Thousand of Euro)	Notes	2025 30 September	2024 30 September
OPERATING ACTIVITIES			
Result of the period (Group and Minorities)		5,225	7,122
<i>Adjustments for:</i>			
Depreciation / Amortization	10	4,745	5,573
Net change in deferred tax (assets) / liabilities	25	(499)	(195)
Capital (gains) / losses from disposal of fixed assets	17	(1,303)	(210)
Losses / (gains) on unrealised exchange rate differences		88	(323)
Provisions/write down (release/reversal)	6	5	309
Income taxes	25	4,354	5,017
Financial (income) / expenses	24	(71)	1,032
Operating result before changes in working capital		12,544	18,325
Income taxes paid		(2,780)	(1,440)
Financial charges paid	24	(2,287)	(2,735)
Financial income collected	24	2,358	2,365
Decrease / (Increase) in inventories		(18,805)	(15,278)
Change in trade receivables		(2,194)	(7,642)
Change in trade payables		14,250	12,597
Net changes in current other assets and liabilities		(2,523)	(183)
Net changes in current other assets and liabilities - related parties		286	(1,958)
Net changes in non current other assets and liabilities		(573)	135
CASH FLOW FROM OPERATING ACTIVITIES		276	4,187
INVESTING ACTIVITIES			
Investments in intangible assets		(22)	(52)
Investments in tangible assets	3	(15,930)	(25,842)
Disposals of tangible and intangible assets		1,915	239
CASH FLOW FROM INVESTING ACTIVITIES		(14,037)	(25,655)
FINANCING ACTIVITIES			
Repayments of loans	10	(2,892)	(4,408)
Obtainment of loans	10	5,000	30,000
Net changes of current financial liabilities		8,944	(1,023)
Net changes of current financial assets		(43)	(260)
Dividends paid to shareholders	9	(1,586)	(1,588)
Sell/(purchase) of own shares	9	(63)	(67)
CASH FLOW FROM FINANCING ACTIVITIES		9,360	22,654
NET CASH FLOW FROM THE PERIOD		(4,401)	1,186
CASH BALANCE AT THE BEGINNING OF THE PERIOD	10	13,859	14,167
Exchange rate differences		(121)	(714)
NET CASH FLOW FROM THE PERIOD		(4,401)	1,186
CASH BALANCE AT THE END OF THE PERIOD	10	9,337	14,639

Notes to the Interim Report on Operations

GENERAL INFORMATION

The IRCE Group is one of the leading industrial players in the European winding wire industry, as well as in the Italian electrical cable sector.

As of September 30, 2025, production is carried out in 3 plants in Italy (Imola, Guglionesi, and Umbertide) and 5 abroad: Blackburn (U.K), Joinville SC (Brazil), Kochi (India), Kierspe (Germany) and Ostrava (Czech Republic). It should be noted that for the latter plant, during the third quarter 2025, the testing for the fine-tuning of the installed machines and the product approval processes continued, in addition the first trial supplies to the parent company began.

It is also reminded that on July 31, 2025, as agreed with the Union and the employees of Smit Draad Nijmegen BV, all employment contracts of the Dutch subsidiary were terminated, while production activity had already been stopped in May 2025.

The distribution network consists of agents and the following trading subsidiaries: Isomet AG in Switzerland, DMG GmbH in Germany, Isolveco 2 S.R.L. in Italy, Irce S.L. in Spain, and Irce SP.ZO.O in Poland.

The consolidated perimeter of the Irce Group also includes 2 plant currently not operational for which the start of activities is expected within the next fiscal year, namely Irce Electromagnetic Wire (Jiangsu) Co. Ltd based in Haian (China) and Fine Wire P. Ltd. based in Kochi (Kerala - India).

GENERAL DRAFTING CRITERIA

The Interim Report on Operations has been drawn up in compliance with the IAS 34 "Interim Financial Reporting" pursuant to the provisions for the condensed interim financial statements and with article 154 ter of TUF. This interim consolidated financial report doesn't include all information requested by annual consolidated financial statements and should be read jointly with the 31 December 2024 consolidated financial statements.

The Interim Report on Operations is drafted in euro and all values reported in the notes are in thousands of Euro, unless specified otherwise.

The formats used for the Interim Report on Operations have been prepared in accordance with the provisions of IAS 1. In particular:

- the statement of financial position was drafted by presenting current and non-current assets, and current and non-current liabilities, as separate classifications;
- the income statement was drafted by classifying the items by nature;
- the statement of cash flows was drafted, in accordance with IAS 7, by classifying cash flows during the period into operating, investing and financing activities. Cash flows from operating activities were presented using the "indirect method".

The Directors have assessed the applicability of the going concern assumption in the preparation of the interim consolidated financial statements, concluding that this assumption is appropriate as there is no doubt about the company's ability to continue as a going concern.

ACCOUNTING PRINCIPLES

The accounting principles and criteria adopted for the preparation of the Interim Report on operations as at 30 September 2025 are consistent with those used for the preparation of the financial statements as at 31 December 2024 to which reference should be made for further information, with the exception of the new standards which have come into force, and which have been endorsed and became effective from 1 January 2025, subsequently summarized.

ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS APPLIED FROM 1 JANUARY 2025

Accounting standard, Amendment, Interpretation	Issue date	Endorsement date	Effective date
Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability	15/08/2023	12/11/2024	01/01/2025

The adoption of these amendments did not have any significant impact on the Group consolidated financial statements.



USE OF ESTIMATES

The drafting of the condensed consolidated interim financial statements pursuant to IFRSs requires to make estimates and assumptions which affect the amounts of the assets and liabilities recognised in the financial statements as well as the disclosure related to contingent assets and liabilities at the reporting date. The final results could differ from these estimates. Estimates are used to assess the recoverability of receivables, inventories, and deferred taxes, as well as for recognizing provisions for risks and charges, depreciation, write-downs of fixed assets, and taxes. Estimates and assumptions are reviewed periodically, and the effects of any changes are reflected in the income statement.

SCOPE OF CONSOLIDATION

The following table shows the list of companies included in the scope of consolidation as of 30 September 2025:

Company	% of investment	Registered office	Currency Capital	Share	Consolidation
Isomet AG	100%	Switzerland	CHF	1,000,000	line by line
Smit Draad Nijmegen BV	100%	Netherlands	EUR	1,165,761	line by line
FD Sims Ltd	100%	UK	GBP	15,000,000	line by line
Isolveco Srl in liquidation	75%	Italy	EUR	46,440	line by line
DMG GmbH	100%	Germany	EUR	255,646	line by line
Irce SL	100%	Spain	EUR	150,000	line by line
Irce Ltda	100%	Brazil	BRL	157,894,223	line by line
Isodra GmbH	100%	Germany	EUR	25,000	line by line
Stable Magnet Wire P.Ltd.	100%	India	INR	493,594,060	line by line
Irce SP.ZO.O	100%	Poland	PLN	200,000	line by line
Isolveco 2 Srl	100%	Italy	EUR	10,000	line by line
Irce Electromagnetic Wire (Jiangsu) Co. Ltd	100%	China	CNY	61,074,522	line by line
Irce S.r.o	100%	Czech Republic	CZK	752,550,000	line by line
Fine Wire P. Ltd	100%	India	INR	820,410	line by line

It should be noted that the Indian company Fine Wire P. Ltd is indirectly owned by IRCE through Stable Magnet Wire P.Ltd.

EXCHANGE RATE

The exchange rates used for the conversion of the assets and liabilities and income statement items of the subsidiaries of the Irce Group as of September 30, 2025, and in the comparative periods, respectively December 31, 2024, for the Statement of Financial Position (i.e., Previous Year) and September 30, 2024, for the Income Statement (i.e., Previous Period), are as follows:

Currency	Current period		Previous year		Previous period	
	Average	Spot	Average	Spot	Average	Spot
GBP	0.8503	0.8739	0.8466	0.8293	0.8514	0.8355
CHF	0.9392	0.9364	0.9525	0.9414	0.9580	0.9435
BRL	6.3171	6.2500	5.8275	6.4185	5.6948	6.0864
INR	97.0874	104.1667	90.9091	89.2857	90.9091	93.4579
CNY	8.0710	8.3612	7.7882	7.5873	7.8247	7.8555
PLN	4.2409	4.2699	4.3066	4.2753	4.3066	4.2808
CZK	24.8139	24.3309	25.1256	25.1889	25.0627	25.1889

1. SEGMENT REPORTING

IFRS 8 defines an operating segment as follows. An operating segment is a component of an entity:

- a) that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity);
- b) whose operating results are reviewed regularly by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance;
- c) for which separate financial information is available.

In accordance with IFRS 8, the companies of the Irce Group were grouped in the following 3 operating segments:

- Italy: Irce SpA, Isolveco 2 Srl and Isolveco Srl in liquidation;
- EU: Smit Draad Nijmegen BV, DMG GmbH, Irce S.L., Isodra GmbH, Irce SP. ZO.O. and Irce S.r.o.
- Non-EU: FD Sims Ltd, Irce Ltda, Isomet AG, Stable Magnet Wire Ltda, Irce Electromagnetic Wire (Jiangsu), Fine Wire P. Ltd,

Below is the income statement broken down by geographic operating segment, compared with the period 30 September 2024, as well as the balance sheet balances of intangible and tangible fixed assets, compared with 31 December 2024:

(Thousand of Euro)	Italy	UE	Extra UE	Consolidation entries	Irce Group
Current period					
Sales revenues	184,141	17,015	97,517	(13,747)	284,926
Ebitda	13,758	(3,024)	3,493	11	14,236
Ebit	11,029	(3,863)	2,391	10	9,567
Financial income/(charge)	-	-	-	-	(487)
Income taxes	-	-	-	-	(3,855)
Net result for the period	-	-	-	-	5,225
Intangible assets	45	-	6	-	51
Tangible assets	28,249	47,437	22,235	-	97,920
Previous period					
Sales revenues	190,986	28,691	99,002	(12,636)	306,043
Ebitda	14,292	(538)	4,869	15	18,638
Ebit	10,249	(1,011)	3,500	15	12,753
Financial income/(charge)	-	-	-	-	(808)
Income taxes	-	-	-	-	(4,822)
Net result for the period	-	-	-	-	7,122
Intangible assets	42	-	8	-	50
Tangible assets	29,653	40,584	16,167	-	86,404

2. DERIVATE INSTRUMENTS

The Group uses the following types of derivative instruments:

- Derivative instruments related to metal forward purchase and sale transactions with maturity after 30 September 2025. These transactions do not qualify as hedging instruments for the purposes of hedge.

Below is a summary of the metal derivative contracts outstanding as at 30 September 2025:

	Notional amount		Fair value at 30/09/2025		
	Assets (Ton)	Liabilities (Ton)	Current assets (€/000)	Current liabilities (€/000)	Net carrying amount (€/000)
Forward purchase and sale transactions on copper	375	750	213	(140)	73

- Derivative instruments related to currency forward purchase and sale transactions with maturity after 30 September 2025. These transactions do not qualify as hedging instruments for the purposes of hedge accounting.

Below is a summary of the currency derivative contracts outstanding as at 30 September 2025:

	Notional Value		Fair value al 30/09/2025		
	Assets (Thousand)	Liabilities (Thousand)	Current Assets (€/000)	Current Liabilities (€/000)	Net carrying amount (€/000)
Forward sale transactions on GBP	9,000		352		352

COMMENT ON THE MAIN ITEMS OF THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

3. TANGIBLE ASSETS

The following table shows the breakdown and changes in tangible assets for the period closed as at 30 September 2025:

(Thousand of Euro)	Lands	Buildings	Plant and machinery	Equipments	Other tangible assets	Assets under construction and advances	Total
Closing balance - previous period	14,414	10,852	17,798	1,172	559	41,609	86,404
Changes - current period							
Purchase	-	2,106	3,327	524	98	9,928	15,983
Depreciation	12	(1,101)	(3,023)	(447)	(131)	-	(4,690)
Reclass	1,110	23,473	1,887	-	-	(26,470)	-
Write off	-	-	-	-	-	(32)	(32)
Disposals	-	(903)	(1,473)	(137)	(169)	-	(2,682)
Disposals - Depreciation fund	-	832	951	127	159	-	2,069
Exchange rate differences	(94)	407	56	(11)	3	507	868
Closing balance- current period	15,442	35,666	19,523	1,228	519	25,542	97,920

The balance as of September 30, 2025, amounting to Euro 97,920 thousand, relates for Euro 1,693 thousand to Smit Draad Nijmegen, a company of the Irce Group which, in line with what decided by the Parent Company at the end of 2024, ceased production activities in May 2025 and terminated all employment relationships on July 31, 2025. Based on the analyses carried out, the Directors believe that the net carrying amount of these fixed assets is recoverable.

The Group's increases as of September 30, 2025 amount to €15,983 (€54 thousand relating to lease rights recognized in accordance with IFRS 16), and mainly concern investment in production plants in the Czech Republic and the People's Republic of China and the purchase of production lines at Irce Ltda.

The reclassification as of September 30, 2025, of €26,470 essentially refers to the allocation of investments made for the project in the Czech Republic to the related category.

The disposals during the period related to the categories 'Buildings' and, to a lesser extent, 'Plant' mainly refer to the sale to third parties of the Mirandolo production facility, which has not been operational since 2023.

4. OTHER NON CURRENT ASSETS

(Thousand of Euro)	2025 30 september	2024 31 December
Other non current assets	413	-

The balance refers to the VAT credit of the Chinese subsidiary, which is expected to be recovered with the start of operational activity.

5. INVENTORIES

The inventories, detailed below, are not pledges nor used as collateral.

(Thousand of Euro)	2025 30 September	2024 31 December
Raw materials, ancillary and consumables - grsso value	44,855	31,827
Work in progress and semi-finished goods - gross value	19,957	15,973
Finished products and goods - gross value	54,264	52,878
Provision for write down of raw material	(4,038)	(4,089)
Provision for write down of work in progress and semi-finished goods	(100)	(145)
Provision for write down of finished products and goods	(1,537)	(2,099)
Total inventories	113,401	94,345

The increase in inventories compared to December 31, 2024, is mainly attributable to a quantity effect and, to a lesser extent, to a price effect.

Specifically, the average quotation of the metal on the London Metal Exchange in the first 9 months of 2025 was €8.55/kg (€8.45/kg in 2024), while the spot price on September 30, 2025, was €8.77/kg (€8.38/kg on December 31, 2024). It is noted that the upward trend in copper prices continued in October as well.

Based on the above and taking into account the recent trend in copper prices and the expectations regarding the time required to sell the stock on hand, the conditions for writing down the metal inventory to its estimated realizable value as of September 30, 2025, have not been met.

The changes in the provision for write-down of inventories during the first nine months 2025 are as follows:

(Thousand of Euro)	Opening balance	Provision	Utilization	Exchange rate differences	Closing balance
Provision for write down of raw material	(4,089)	(58)	105	4	(4,038)
Provision for write down of work in progress	(145)	-	45	-	(100)
Provision for write down of finished products	(2,099)	(3)	565	-	(1,537)
Total	(6,333)	(61)	715	4	(5,675)

The provision for write-downs of raw materials refers to the amount deemed necessary to cover the risks of obsolescence, mainly of packaging and maintenance material, whilst the provision for write-downs of finished products is set aside against slow-moving or non-moving finished products as well as to products that are no longer suitable for sale.

6. TRADE RECEIVABLES

The details of trade receivables are as follows:

(Thousand of Euro)	2025 30 September	2024 31 December
Current trade receivables - third parties	57,474	55,204
Current bad debt provision - third parties	(990)	(1,121)
Total trade receivables	56,484	54,083

The change in trade receivables is attributable to the lower non-recourse assignments not yet due as of September 30, 2025 compared to December 31, 2024, partly offset by the Group's lower revenue in the third quarter of 2025 compared to the last quarter of 2024.

In particular, the trade receivables subject to non-recourse assignment in previous months but not yet due as of September 30, 2025, amount to €17.5 million, down by approximately €10.1 million compared to those as of December 31, 2024, which amounted to €27.6 million.



The following table highlights the movement of the bad debt provision in the first nine months of 2025:

(Thousand of Euro)	Opening balance	Provision	Reversal	Utilization	Exchange rate differences	Closing balance
Current bad debt provision	(1,121)	(5)	81	41	14	(990)

It should be noted that Irce SpA and Smit Draad Nijmegen have a credit policy in place with a leading insurance company to cover the risk of insolvency.

7. OTHER CURRENT ASSETS

Below is the item detailed:

(Thousand of Euro)	2025 30 September	2024 31 December
Accrued income and prepaid expenses	412	381
Social securities receivables	36	28
Other current assets	1,309	3,921
VAT receivables	877	986
Total other current assets	2,634	5,316

The change in 'Other receivables' is mainly due to the Parent Company and specifically relates to the partial use of the Industry 4.0 tax credit recorded as of December 31, 2024.

8. CURRENT FINANCIAL ASSETS

Details of current financial assets are shown below:

(Thousand of Euro)	2025 30 September	2024 31 December
Mark to market gains derivatives on metal	73	-
Guarantees deposits	7	10
Mark to market financial assets	287	287
Mark to market gains derivatives exchange rate	353	115
Total current financial assets	720	412

The items "Mark to market gains derivatives on metal" and "Mark to market gains derivatives on exchange rate" refer to the fair value of forward contracts on copper and on currencies opened at the end of the period, subscribed by the parent company IRCE S.p.A.. For more details, see paragraph 2.

The item "Mark to market financial assets" includes the fair value of energy efficiency certificates (TEEs).



9. SHAREHOLDERS' EQUITY

The item "Shareholders' equity" amounts to €156.0 million as of September 30, 2025 (€150.6 million as of December 31, 2024) and is detailed in the following table.

(Thousand of Euro)	2025 30 September	2024 31 December
Share capital	14,627	14,627
Own share capital	(887)	(871)
Share premium reserve	40,539	40,539
Revaluation reserve	22,328	22,328
Own share premium	(249)	(202)
Legal reserve	2,925	2,925
IAS 19 Reserve	(813)	(891)
Extraordinary reserve	60,748	57,714
Other reserve	23,595	23,595
Profit (losses) of previous years	21,507	19,227
Translation Reserve	(33,220)	(34,967)
Profit (loss) for the period	5,215	6,900
Total shareholders' equity attributable to Parent company	156,315	150,924
Shareholders' equity attributable to Minority interests	(298)	(308)
Total shareholders' equity	156,017	150,616

Share capital

The following table shows the breakdown of the share capital.

(Thousand of Euro)	2025 30 September	2024 31 December
Subscribed share capital	14,627	14,627
Treasury share capital	(887)	(871)
Total share capital	13,739	13,756

The share capital is made up of 28,128,000 ordinary shares worth € 14,626,560. Treasury share capital as of 30 September 2025 amounted to 1,706,600 corresponding to 6.07% of the share capital. The total number of outstanding shares is then 26,421,400.

The following table shows, in thousands, the movements of outstanding shares during the period:

Outstanding shares	Thousand of shares
Balance as of 31.12.2024	26.453
Share buyback	(32)
Sales of treasury shares	-
Balance as of 30.09.25	26.421

IAS 19 Reserve

This reserve includes actuarial gains and losses accumulated as a result of the application of IAS 19 Revised. The change in the reserve, in thousand, is as follows:

Changes in IAS 19 Reserve	Thousand of Euro
Balance as of 31.12.2024	(891)
Actuarial valuation	98
Tax effect on actuarial valuation	(20)
Balance as of 30.09.25	(813)



Extraordinary reserve

The extraordinary reserve mainly consists of the Parent Company's retained earnings net of dividends distributed, amounting to € 1,586 thousand in 2025.

Translation reserve

The positive change in the translation reserve compared to December 31, 2024, amounting to €1,740 thousand, is mainly due to the revaluation of the Brazilian Real and the Czech Crown against the Euro, partially offset by the depreciation of the Chinese Yuan.

10. FINANCIAL LIABILITIES

Details of non-current financial liabilities are shown in the following tables:

(Thousand of Euro)	2025 30 September	2024 31 December
Non current Financial liabilities due to banks	39,874	37,765
Non current Financial liabilities - IFRS 16	211	258
Total non current financial liabilities	40,085	38,023

The table below shows the breakdown of "Non-current financial liabilities due to banks" outstanding at the end of the period, highlighting, in particular, the type of rate and due date.

(Thousand of Euro)	Currency	Rate	Company	30.09.2025	31.12.2024	Due date
Banca di Imola	EUR	Floating	IRCE SpA	-	736	2026
Banca di Imola	EUR	Floating	IRCE SpA	10,000	10.000	2034
Banco Popolare	EUR	Fixed	IRCE SpA	-	380	2026
Banco Popolare	EUR	Floating	IRCE SpA	5,000	-	2033
Deutsche Bank	EUR	Floating	IRCE SpA	1,312	2.625	2027
BPER	EUR	Floating	IRCE SpA	3,472	3.889	2032
BPER	EUR	Floating	IRCE SpA	10,000	10.000	2034
MPS	EUR	Floating	IRCE SpA	10,000	10.000	2034
Credit Suisse	EUR	Fixed	Isomet AG	90	135	2027
Total				39,874	37,765	

The details of current financial liabilities are provided in the following table:

(Thousand of Euro)	2025 30 September	2024 31 December
Current Financial liabilities due to banks	26,909	16,613
Mark to market losses derivatives on metal	-	146
Current Financial liabilities - IFRS 16	106	124
Other current financial liabilities	265	(1)
Mark to market losses derivatives exchange rate	-	9
Long term loans- current portion	4,220	5,079
Financial accrued expenses liabilities	377	787
Total current financial liabilities	31,878	22,757

The items "Mark to market losses derivatives on metal" and "Mark to market losses derivatives exchange rate " refer to the negative Fair Value of the forward contracts on copper and currencies opened at the end of the period, subscribed by the parent company IRCE S.p.A.. For more details, see paragraph 2.

The reduction of the item 'Financial Accrued expenses liabilities' is due to the settlement in March 2025 of the interest accrued on current accounts as of December 31, 2024.



The following table highlights the net financial position of Irce Group, determined on the basis of the scheme envisaged by Consob attention call no. 5/21 of 29 April 2021, which incorporates the ESMA guideline published on 4 March 2021:

(Thousand of Euro)	2025 30 September	2024 31 December
Cash and cash equivalents	9,337	13,859
Current financial assets	720	412
Cash and cash equivalents	10,057	14,272
Other current financial liabilities	(27,658)	(17,678)
Long term loans - current portion	(4,220)	(5,079)
Current net financial position	(21,821)	(8,486)
Non current financial liabilities third parties	(40,085)	(38,023)
Net financial position	(61,906)	(46,509)

The net financial position as of September 30, 2025 amounts to €61.9 million, up from €46.5 million as of December 31, 2024, due to both the increase in net working capital and ongoing investments, particularly in the Czech Republic and the People's Republic of China.

As of September 30, 2025, the Irce Group has contractual commitments of approximately €55,0 million related to the purchase of copper as well as, to a lesser extent, investments in machinery and the construction of the new industrial plant in China.

11. PROVISIONS FOR RISKS AND CHARGES

Changes in provisions for non-current and current risks and charges as at 30 September 2025 are shown below:

(Thousand of Euro)	Opening	Provision	Utilization	Exchange rate differences	Closing
Provision for severance payments to agents	119	-	(1)	-	118
Other provision for risks and charges	439	230	(230)	(6)	433
Total non current provision for risk and charge	558	230	(231)	(6)	551

(Thousand of Euro)	Opening	Provision	Utilization	Closing
Provision for severance payments to agents	8	-	(8)	-
Other provision for risks and charges	3,352	212	(3,348)	216
Total current provision for risk and charges	3,360	212	(3,356)	216

Regarding the item 'Non current other provision for risks and charges,' the provision of €230 thousand concerns an ongoing dispute with a customer over alleged product defects, while the 'Utilization' of €230 thousand refers to the release of the provision made in previous years following the elimination of the risk of enforcement of a guarantee by a customer.

With regard to the item 'Current other provision for risks and charges' the provision of €212 thousand refers to the additional allocation compared to December 31, 2024, made by the subsidiary Smit Draad following the agreement reached with the union and employees for the closure of the business, while the 'Utilization' of €3,348 thousand refers to the payment to employees from this fund.

12. TRADE PAYABLES

(Thousand of Euro)	2025 30 September	2024 31 December
Trade payables	40,295	26,010
Total trade payables	40,295	26,010

The change in commercial payables, mainly attributable to the Parent Company and the Brazilian subsidiary, is essentially due to the higher quantities of copper in transit at the end of the period compared to December 31, 2024.

13. TAX PAYABLES

(Thousand of Euro)	2025 30 September	2024 31 December
Tax payables due to Aequafin	1,545	644
Tax payables-current	726	633
Total tax payables	2,271	1,277

The "Tax payables due to Aequafin" show the net IRES balance of Irce towards its own parent company with which it has a tax consolidation contract in place, while the "Tax payables-current" show the net IRAP balance of Irce and the direct taxes of its subsidiaries.

14. SOCIAL SECURITY CONTRIBUTIONS

(Thousand of Euro)	2025 30 September	2024 31 December
Social security contributions	1,379	2,013
Total social security contribution	1,379	2,013

The item includes payables to INPS and INAIL, as well as contributions allocated to deferred salaries. The change in the period, attributable to the Parent Company, is due to the payment in January 2025 of the social security contributions relating to the thirteenth month and the payment in February 2025 of the INAIL advance.

15. OTHER CURRENT LIABILITIES

(Thousand of Euro)	2025 30 September	2024 31 December
Payables due to employees	3,308	3,346
Accrued liabilities and deferred income	3,012	3,463
Other payables	288	605
VAT payables	949	532
Income taxes withheld on income from employees	177	567
Total other current liabilities	7,734	8,513

"Payables due to employees" include the liabilities for the thirteenth month's salary, for holiday accrued and not taken, and for production premiums.

The change in "Accrued expenses and deferred income" is mainly attributable to the Parent Company and refers to the release, among other revenues and income, of plant grants relating to the 4.0 tax credit, consistently with the depreciation of tangible assets to which they refer.

The reduction of 'Other payables' mainly refers to the Parent Company, following the settlement of insurance premiums for 2024, as well as to FD Sims.

The increase in "VAT payables" is attributable to the Parent Company and the UK subsidiary.

The reduction of the item 'Income taxes withheld on income from employees' refers to IRCE and is due to the payment to the treasury in January 2025 of the IRPEF withholdings on the salaries paid in December, which included, in addition to the monthly salary, also the 13th month.

COMMENT ON THE MAIN ITEMS OF THE CONSOLIDATED INCOME STATEMENT

16. REVENUES

The item refers to revenues from the sale of goods, net of returns, rebates and the return of packaging.

(Thousand of Euro)	2025 30 September	2024 30 September	Change
Sales revenues	284,926	306,043	(21,117)

The consolidated revenue as of September 30, 2025, amounting to €284.9 million, shows a decrease of 6.9% compared to €306.0 million in the comparable period; the reduction is due to lower volumes sold, partly offset by the increase in the copper price (the LME average quotation for the first nine months of 2025, equal to €/kg 8.55, was 1.7% higher than that of the same period in 2024, equal to €/kg 8.41).

The following tables highlight revenues broken down by product and by geographical area of destination of finished products.

(Thousand of Euro)	Current period			Previous period		
	Winding wires	Cables	Total	Winding wires	Cables	Total
Revenues	229,793	55,133	284,926	245,194	60,849	306,043
% of total	81%	19%	100%	80%	20%	100%

(Thousand of Euro)	Current period				Previous period			
	Italy	UE	Extra UE	Total	Italy	UE	Extra UE	Total
Revenues	103,491	69,303	112,132	284,926	110,623	79,776	115,644	306,043
% of total	36%	24%	40%	100%	36%	26%	38%	100%

For further details, please refer to the Report on Operations.

17. OTHER REVENUES AND INCOME

"Other revenues and income" are detailed below:

(Thousand of Euro)	2025 30 September	2024 30 September	Change
Increase in internally generated fixed assets	625	108	517
Capital gains on assets disposals	1,303	210	1,093
Insurance reimbursements	381	8	373
Contingent assets	75	124	(49)
Other revenues	1,033	763	270
Total other revenues and income	3,417	1,213	2,204

The 'Increase in internally generated fixed assets' refer to capitalizations carried out mainly on the categories "Building" and "Plants and machinery" of the subsidiary Irce Sro.

The change in 'Capital gains on assets disposals' is mainly attributable to the transfer of the Miradolo building.

The item 'Insurance reimbursements' essentially refers to the settlement of claims filed for weather-related events and for product liability.

The increase in 'Other revenues' is mainly attributable to the Parent Company and primarily concerns the resolution of a dispute with a service provider as well as the portion of plant grants relating to the 4.0 tax credit following the interconnection of instrumental assets carried out during 2024.



18. RAW MATERIALS AND CONSUMABLES

Costs for raw material and consumables are detailed as follows:

(Thousand of Euro)	2025 30 September	2024 30 September	Change
Raw materials and consumables	(230,781)	(240,251)	9,470
Change in inventory of raw materials and consumables	13,159	7,692	5,467
Purchasing finished goods	(8,591)	(10,268)	1,677
Total raw materials and consumables	(226,213)	(242,827)	16,614

The item 'Raw materials and consumables,' amounting to €230.8 million, includes the costs incurred for the purchase of raw materials, among which the most significant are represented by copper and aluminium, insulating materials, and packaging and maintenance materials. The change in the period compared to September 30, 2024, is due to the lower volumes purchased of both metal and insulating raw materials, partly offset by the increase in the average price of copper.

19. COST FOR SERVICES

The "Costs per service" are detailed below:

(Thousand of Euro)	2025 30 September	2024 30 September	Change
External processing	(5,954)	(6,251)	297
Utility expenses	(10,037)	(9,462)	(575)
Maintenance	(2,120)	(1,926)	(194)
Transport	(4,514)	(4,429)	(85)
Payable fees	(302)	(92)	(210)
Statutory auditors compensation	(52)	(52)	-
Other services	(6,025)	(5,433)	(592)
Operating leasing	(277)	(253)	(24)
Total cost for services	(29,281)	(27,898)	(1,383)

The reduction in "External Processing" is mainly associated with lower production scraps reworked in the winding conductor sector as well as with the decreased quantities of enamelled wire and cable produced.

The increase in "Utility Expenses" is due to the rise in the unit cost per kWh of electricity, partly offset by lower energy consumption following decreased production quantities.

The change in "Payables fees" is related to the hiring of a new foreign agent.

The increase in "Other services" is mainly attributable to expenses for studies and research incurred by the Parent Company.

20. PERSONNEL COSTS

Personnel costs are detailed as follows:

(Thousand of Euro)	2025 30 September	2024 30 September	Change
Salaries and wages	(16,133)	(16,486)	353
Social security charges	(3,975)	(3,784)	(191)
Pension costs	(1,205)	(1,355)	150
Other personnel costs	(2,116)	(2,636)	520
Total personnel costs	(23,429)	(24,261)	832

The decrease in personnel costs is mainly attributable to the Dutch subsidiary, which terminated all employment relationships on July 31, 2025, partly offset by Irce Sro, which began operations during the 2nd quarter of 2025.

21. AMORTIZATION/DEPRECIATION AND WRITE DOWNS OF TANGIBLE AND INTANGIBLE ASSETS

Here is the breakdown of depreciation/amortisation and write-off of tangible and intangible assets:

(Thousand of Euro)	2025 30 September	2024 30 September	Change
Amortization of intangible assets	(23)	(99)	76
Depreciation of tangible assets	(4,620)	(5,318)	698
Depreciation of tangible assets - IFRS 16	(70)	(129)	59
Write off intangible assets	-	(5)	5
Write off tangible assets	(32)	(22)	(10)
Total amortization/depreciation and write-down	(4,745)	(5,573)	828

The decrease in the item "Depreciation of fixed assets" is essentially due to the Parent Company as well as the Brazilian and Dutch subsidiaries, only partially offset by the beginning in the depreciation of some assets related to the subsidiary Irce Sro

The item "Write-downs of tangible assets" amounting to €32 thousand refers to an order recorded among "Assets under construction" as of December 31, 2024, for which the conditions for capitalization no longer exist.

22. PROVISIONS AND WRITE-DOWNS

(Thousand of Euro)	2025 30 September	2024 30 September	Change
Bad debt provision	76	(5)	81
Receivables losses	-	(3)	3
Provision for risks	-	(303)	303
Total provisions and write-downs	76	(311)	387

With regard to "Bad debt provision", see paragraph 6 - Trade receivables.

23. OTHER OPERATING COSTS

The following table shows the details of "Other operating costs":

(Thousand of Euro)	2025 30 September	2024 30 September	Change
Other taxes and indirect taxes	(543)	(618)	75
Other costs	(286)	(520)	234
Contingent liabilities	(1)	(81)	80
Total other operating costs	(830)	(1,219)	389

The change of €234 thousand in 'Other costs' is mainly due to the lower impact in 2025 compared to the same period 2024 due to contractual penalties charged to customers.



24. FINANCIAL INCOME AND CHARGES

Financial income and charges are broken down as follows:

(Thousand of Euro)	2025 30 September	2024 30 September	Change
Financial income	2,358	2,365	(7)
Financial charges	(2,287)	(3,397)	1,110
Foreign exchanges	(558)	224	(782)
Total financial income and charges	(487)	(808)	321

The reduction in "Financial charges" compared to September 30, 2024, is mainly attributable to the capitalization of financial charges associated with bank loans obtained by the Parent Company for the implementation of projects in the Czech Republic and the People's Republic of China, in accordance with the requirements of IAS 23.

The negative amount of €558 thousand in the item 'Gains and losses on exchange' is attributable to €470 thousand from realized exchange differences and €88 thousand from unrealized exchange differences.

25. INCOME TAXES

Below is the breakdown of income taxes:

(Thousand of Euro)	2025 30 September	2024 30 September	Change
Current taxes	(2,216)	(2,556)	340
Income taxes related to previous years	10	-	10
Deferred taxes	500	194	306
Current tax - Ires	(2,148)	(2,461)	312
Total income tax	(3,855)	(4,822)	968

Current taxes essentially relate to the Parent Company and the Brazilian subsidiary.

The change in deferred taxes is mainly attributable to the recognition of deferred tax assets on the tax losses of Irce Sro.

The Irce Group tax rate as of September 30, 2025, is 39.2% of the pre-tax result, showing a slight decrease compared to September 30, 2024, when it was 40.4%.

26. EARNINGS PER SHARE

As required by IAS 33, here below are the disclosures on the data used to calculate basic and diluted earnings per share.

Basic and diluted earnings per share were equal, as there are no ordinary shares that could have a dilutive effect and no shares or warrants that could have a dilutive effect will be exercised.

	2025 30 September	2024 30 September
Result for the period (Thousand of Euro)	5,215	7,122
Average weighted number of ordinary shares outstanding	26,435,848	26,474,385
Basic earnings/(loss) per Share	0.1973	0,2690
Diluted earnings/(loss) per Share	0.1973	0,2690

27. RELATED PARTY DISCLOSURES



In accordance with the requirements of IAS 24, the remuneration received by the members of the Board of Directors of Irce SpA as at 30 September 2025 is as follows:

(Thousand of Euro)	Compensation for office head	Compensation for other tasks	Total
Directors	195	216	441

This table shows the compensation paid for any reason and in any form, excluding social security contributions.

In addition, it should be noted that Irce SpA has a tax payables vs the Parent company AequaFin SpA of € 1.5 million deriving from the National Tax Consolidation Agreement.

28. GUARANTEES

In relation to the guarantees provided, the parent company Irce SpA issued sureties for a total of € 2.5 million in favour of a publicly owned company to guarantee the supply of electrical cables.

29. EVENTS AFTER THE REPORTING PERIOD

No significant events have occurred from September 30, 2025, to the date of preparation of these financial statements.



Certification of the Financial Reporting Officer

The Financial Reporting Officer in charge of preparing the accounting and corporate documents, Mr. Massimiliano Bacchini, declares, pursuant to paragraph 2 of Article 154 bis of the Consolidated Law on Finance, that the information contained in this Interim Report on Operations corresponds to the document results, books and accounting records.

Imola, 14 November 2025

Massimiliano Bacchini
Manager responsible for preparing the corporate accounting documents

